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## SUMMARY

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25X1D	SOVIET UNION
	FAR EAST

25X1A	2. Comment on new Japanese cabinet:			
		The new Hatoyama cabinet is composed exclusively of Democrats, with a number of hold-overs, and accurately reflects the balance of power among competing factions within the Democratic Party.		

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The retention of Foreign Minister Shigemitsu against Hatoyama's wishes, may serve as a brake on the prime minister's efforts toward accommodation with the Communist bloc. Hatoyama has already started to undercut Shigemitsu, however, by announcing he would consult Arata Sugihara, his original choice as foreign minister, on the appointment of the chief Japanese delegate to the Japan-USSR negotiations in New York.

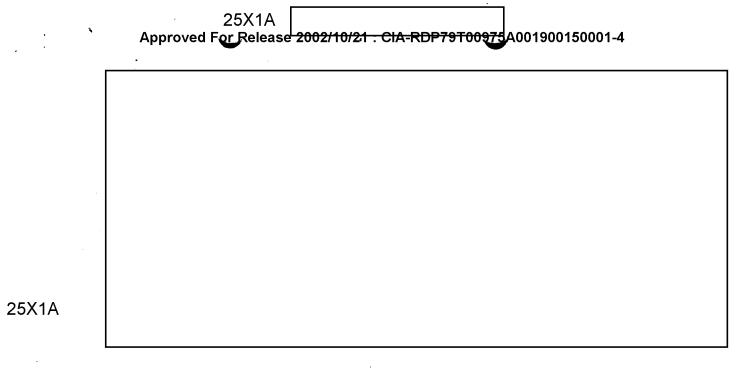
Sugihara has been appointed director of the Defense Board and, according to Japanese defense officials, this will have an adverse effect on Japanese rearmament. The appointment of an able, aggressive welfare minister and the retention of strong personalities in economic posts emphasize the continuance of the 'butter over guns' policy.

Hatoyama's frail health and his party's minority position in the Diet make it evident that the new government will be short-lived. Former prime minister Yoshida's Liberals have pledged co-operation on legislation of mutual interest, but their action in joining the Socialists to elect a Liberal speaker and Socialist vice-speaker in the lower house serves notice that their co-operation will not be automatic.

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Iraq reportedly approached to help overthrow Syrian cabinet:

Iraq's acting foreign minister told the American ambassador in Baghdad on 17 March that his government has been receiving requests from the president of Syria and other friendly elements for help in establishing a conservative, pro-Iraqi cabinet in Syria.

The Iraqi official said that the kind of help desired had not been defined. He asked whether the Syrians had approached the United States, and urged "sympathetic understanding" of such requests.

Comment: The Iraqi official's statement seems to be an indirect bid for American support and suggests that Iraqi planning for a coup in Syria may have reached an advanced stage. The Iraqis presumably would first seek to overthrow the government by parliamentary means and would consider military intervention only if this effort failed.

Syrian president Atasi implied on 7 March that he was considering asking Iraq to send troops to Damascus to block the establishment of Egyptian military control there.

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		Apparent differences over the purposes of the Balkan alliance threaten continued co-operation among Greece,
		Yugoslavia and Turkey.
		Turkish prime minister Menderes asserts that Belgrade has consistently dragged its heels on carrying out the military aspects of the pact, and he believes that Yugoslavia may hope, in the event of war, to be 'another World War II Sweden.'
	bassador Cannon in Athe	Greece and Yugoslavia, however, express th their joint military co-ordination. Amens and Ambassador Riddleberger in at Marshal Tito has no illusions that he
\	Ankara's interest in the secondary to its interest	On the other hand, Greece believes that military aspect of the tripartite pact is in the political advantages of the pact.
	of the Balkan parliament has no interest in a pure membership to strengthe	The Greeks accuse the Turks also of ed to stall and even subvert" the creation ary assembly. They probably feel Turkey by Balkan entente but intends to use pact en its influence with the major Western as prestige in the Mediterranean and Near

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Finance Minister Dietrich called the expansion of heavy industry the basis of the further development of the national economy and also placed "special emphasis on the development of agricultural production," as did the recent policy announced in the Soviet Union.

Emphasis on consumers' goods production will apparently continue through 1955, however, as the 1955 plan calls for a greater increase in the output of consumer goods than of heavy industrial equipment. An official commentator has stated that these rates of increase are 'exceptional' and a departure from a 'binding principle.'

Poland is likely to place primary emphasis on heavy industry when a new long-term plan is inaugurated in 1956

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rated in 1956. 25X1A

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25X1A	9. Break with Communists reportedly sought by Nenni Socialists:	
. •	A movement is under way in Italy to	
	separate the Nenni Socialists from the Communists,	25X1
	Communists,	
	Participants are leaders of the Nenni	05)/4
	Socialists, Democratic Socialists, Republicans, various splinter left-of-center parties, and the left wing of the Liberals. The	25X1
	aim is to find, through the creation of a political alternative to	
	the present center government coalition, a solution to the current impasse which prevents the government from acting on pressing	
	problems.	
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	Comment: The Scelba government's days	•
	appear numbered because of failure to achieve concrete results on	
	its reform program, and a turn to the left is a distinct possibility.  Nenni has reportedly declared he would support any government	
	committed to a more social-minded policy than the present one.	
		25X1
25X1	the Communist Party is encouraging a break with the Nenni Socialists. Nenni Socialist participation in a left-of-center gov-	
	ernment would serve Communist purposes by undermining Italy's	
	pro-Western ties.	
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